

## Message Text

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PAGE 01 STATE 085453

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ORIGIN TRSE-00

INFO OCT-01 NEA-09 ISO-00 EB-07 SS-15 SSO-00 /032 R

DRAFTED BY TREAS:HSHELLEY

APPROVED BY EB/OT/STA:WCLARK, JR.

EB/OT/STA:ECONSTABLE

NEA/INS:RMORLEY

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O 151517Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRD, IN

SUBJECT: COUNTERVAILING DUTIES - BACKGROUND INFORMATION  
FOR SIMON VISIT

REF: NEW DELHI 4933 STATE 022951

1. FOLLOWING SUMMARY OF BRIEFING MATERIAL PREPARED  
FOR SIMON VISIT FORWARDED FOR EMBASSY INFORMATION. BEGIN  
SUMMARY:

2. UNDER PROVISIONS OF RECENTLY AMENDED COUNTERVAILING  
DUTY LAW, TREASURY WAS REQUIRED TO INITIATE COUNTERVAILING  
DUTY INVESTIGATIONS ON ALL PETITIONS WHICH IT PREVIOUSLY  
HAD RECEIVED BUT HAD NOT ACTED UPON. SUCH COMPLAINTS ARE  
TREATED AS HAVING BEEN RECEIVED ON JANUARY 4, 1975. A  
PRELIMINARY DETERMINATION, THEREFORE, MUST BE MADE BY  
JULY 4, 1975 WITH A FINAL DETERMINATION DUE BY JANUARY 4,  
1975.

3. ON JANUARY 28, 1975, GOI, THROUGH ITS EMBASSY IN  
WASHINGTON, WAS GIVEN A LETTER EXPLAINING THE INVESTIGA-  
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PAGE 02 STATE 085453

TION, AND A QUESTIONNAIRE REQUESTING INFORMATION ABOUT THE

PROGRAMS WHICH WERE THE BASES OF THE COMPLAINTS. (FOR A SUMMARY OF LETTER, SEE REF B)

4. UNDER COUNTERVAILING DUTY LAW, TREASURY IS REQUIRED TO IMPOSE COUNTERVAILING DUTIES EQUAL TO ANY BOUNTIES OR GRANTS PAID OR BESTOWED UPON THE MANUFACTURE, PRODUCTION, OR EXPORTATION OF MERCHANDISE UNDER CONSIDERATION. IF MERCHANDISE IS NON-DUTIABLE, A U.S. INDUSTRY MUST BE INJURED BY REASON OR SUCH IMPORTS; DUTIABLE MERCHANDISE, AS IN INDIAN CASE, HAS NO INJURY CRITERIA.

5. AMENDED LAW PERMITS TREASURY DISCRETION TO WAIVE IMPOSITION OF COUNTERVAILING DUTIES IF ALL FOLLOWING CRITERIA ARE SATISFIED: 1) ADEQUATE STEPS ARE TAKEN TO REDUCE ADVERSE EFFECT OF THE SUBSIDIES; 2) THERE IS A REASONABLE PROSPECT OF SUCCESSFUL TRADE AGREEMENTS IN MTN; AND 3) IMPOSITION OF THESE DUTIES WOULD JEOPARDIZE SATISFACTORY COMPLETION OF NEGOTIATIONS. SINCE NO FACTS HAVE BEEN DEVELOPED IN INDIAN CASES, IT WOULD BE PRE-MATURE TO SPECULATE ON POSSIBLE USE OF THIS DISCRETIONARY WAIVER. END SUMMARY.

6. SIMON WAS TO DRAW ON ABOVE INFORMATION IF COUNTERVAILING ISSUE RAISED, AND WAS ASKED TO URGE INDIANS TO COOPERATE IN FACT FINDING PHASE OF INVESTIGATION.

7. IF TREASURY SENDS REPRESENTATIVE TO NEW DELHI, WEEK OF MAY 5-9 SUGGESTED FOR VISIT. INFORMATION REQUESTED (REF B) SHOULD BE FORWARDED ON URGENT BASIS SO THAT TREASURY HAS OPPORTUNITY TO REVIEW DATA PRIOR TO ANY VISIT. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MINISTERIAL VISITS, BRIEFING MATERIALS, COUNTERVAILING DUTIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 APR 1975  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE085453  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** HSHELLEY  
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**Film Number:** D750131-0412  
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**TAGS:** ETRD, IN, (SIMON, WILLIAM E)  
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